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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 19, 2000

IN THE MATTER OF THE TARIFF FILING BY

CASE NO. PUC000275

VERIZON VIRGINIA INC. AND VERIZON SOUTH INC.

For withdrawal of intrastate advanced services

ORDER APPROVING WITHDRAWAL OF ADVANCED SERVICES

On October 16, 2000, Verizon Virginia Inc. ("Verizon Virginia") and Verizon South Inc. ("Verizon South") filed with the State Corporation Commission ("Commission") their proposed tariff revisions to withdraw all of their intrastate advanced services offerings. The effective date for such withdrawal is proposed to be contemporaneous with the effective date of their affiliate, Verizon Advanced Data-Virginia Inc. ("VADVA") tariffs.

¹ The intrastate advanced services tariffed offerings of Verizon Virginia are Frame Relay Service; ATM Cell Relay Service; Fiber Distributed Data Interface Network Services; and Switched Multi-Megabit Data Services.

The intrastate advanced services tariffed offerings of Verizon South are Frame Relay Service and MegaConnect Service ("SMDS"), and the Frame Relay Service component of the FlexGrow Trunk Service tariff. In addition, Verizon South will withdraw numerous Special Service Arrangements which include these services, as well as Asynchronous Transfer Mode ("ATM").

 $^{^2}$ Interstate advanced services, including xDSL, will also be provided by a separate affiliate. The formation of a separate affiliate to provide both

In conjunction with this tariff withdrawal request, Verizon Virginia's and Verizon South's existing intrastate advanced services customers would be transferred to their affiliate, VADVA, upon that competitive local exchange carrier's ("CLEC") application being granted by this Commission.³

On November 8, 2000, the Commission issued an Order Providing Notice and Inviting Comments. Notice was given as ordered. Comments of Network Access Solutions L.L.C. ("NAS") were filed on December 11, 2000. On December 18, 2000, VADVA filed a motion for leave to file comments out of time, together with its Comments. The Commission grants VADVA's motion and receives into the record the Comments filed December 18, 2000.

The Comments of NAS and VADVA refer to the application of VADVA in Case No. PUC000181. The Commission takes judicial notice of the record made in the certification of VADVA on December 19, 2000, in Case No. PUC000181.

The Commission finds that notice was given, as prescribed and in the manner provided in the Order of November 8, 2000.

interstate and intrastate advanced services is a condition required by the Federal Communications Commission in conjunction with the approval of the merger between Bell Atlantic and GTE.

 $^{^3}$ The Commission granted the application of VADVA, subject to the recommendations of Staff, pursuant to its Order of December 19, 2000, in Case No. PUC000181.

⁴ Proof of the mailing of the notice to all intrastate advanced services customers was filed in this case on November 22, 2000.

Notwithstanding the Comments of NAS, the Commission concludes that the notice given to the present customers of intrastate advanced services offered by Verizon South and Verizon Virginia is sufficient.

In its Comments, NAS does not oppose the transfer of intrastate advanced services to VADVA. However, NAS does contend that such transfer of advanced services should be conditioned upon VADVA complying with the specific requirements for an incumbent local exchange carrier ("ILEC") as set out in § 251(c)(4) of the Telecommunications Act of 1996 ("Act"). NAS argues that such a condition is in the public interest and is nondiscriminatory. We will not impose the condition requested by NAS. The Commission this date, in Case No. PUC000181, has imposed five conditions for VADVA's certification as follows:

- (1) At such time as voice services are initiated by the Company, VADVA shall comply with all requirements of § C (Conditions for certification) of the Local Rules.
- (2) Any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account, or a bond shall be provided in lieu thereof,

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 $^{^5}$ The statutory authority to impose this condition is cited by NAS as § 56-481.1-2 of the Code of Virginia. NAS asserts that such condition would have no negative effect upon the "affordability of basic local exchange telephone service" or "any [other] class of . . . customer or . . . service provider," as required by § 56-481.2 of the Code of Virginia.

- until such time as the Staff or Commission determines it is no longer necessary.
- (3) The Company shall provide audited financials for its immediate parent, VADI, to the Division of Economics and Finance no later than one year from the effective date of VADVA's initial tariff.
- (4) VADVA shall submit initial tariffs for intrastate advanced services which contain the same terms and conditions and do not exceed the rates of those currently available from the intrastate tariffs of Verizon Virginia and Verizon South.
- (5) VADVA shall not increase its prices for ATM, Frame
 Relay, SMDS, and TLS Services without obtaining
 permission from the Commission for alternative
 treatment for these services pursuant to 20 VAC 5-400180 D 3 d.

Accordingly, IT IS ORDERED THAT:

- (1) The tariff filings of Verizon Virginia and Verizon South are hereby approved and effective upon the transfer of the customers to VADVA.
 - (2) This cause is placed in the file for ended causes.